

**ARTICLES OF INCORPORATION  
OF  
[NEW PREMERA BLUE CROSS CORP.]**

**ARTICLE I  
NAME**

The name of this corporation is [New Premera Blue Cross Corp.] (the “Corporation”).

**ARTICLE II  
CAPITAL STOCK**

**Section 1** The total number of shares of all classes of stock which the ~~corporation~~Corporation shall have authority to issue is One Thousand (1,000) shares of common stock, no par value per share (the “**Common Stock**”).

**Section 2** The shares of stock of this ~~corporation~~Corporation may be issued by this ~~corporation~~Corporation from time to time for such consideration as from time to time may be fixed by the Board of Directors of this ~~corporation~~Corporation; and all issued shares of the capital stock of this ~~corporation~~Corporation shall be deemed fully paid and non-assessable. The Board of Directors may authorize the issuance of some or all of the shares of Common Stock without certificates. Within a reasonable time after the issuance or transfer of shares without certificates, the ~~corporation~~Corporation shall send the shareholders a written statement of the information required on certificates by the Washington Business Corporation Act (the “**Act**”). Said statement shall be informational to the shareholder, and not incontrovertible evidence of stock ownership. The statement shall be signed by original or facsimile signature of two officers of the ~~corporation~~Corporation. Transfer of uncertificated shares of stock may be accomplished by delivery of an assignment in writing or by a written power of attorney to assign and transfer the same on the books of the ~~corporation~~Corporation, signed by the record holder of the shares. Surrender of the written statement shall not be a requirement for transfer of the shares so represented.

**ARTICLE III  
DIRECTORS**

**Section 1 General Powers of Board of Directors.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the ~~corporation~~Corporation shall be managed under the direction of, the Board of Directors, except as otherwise provided by the Articles of Incorporation.

**Section 2      Number; Classes; Term; Initial Directors.**

(a)    Number. The Board of Directors of the Corporation shall consist of no less than seven (7) or more than fourteen (14) directors, the exact number of directors ~~shall~~to be determined in accordance with the Bylaws of the ~~corporation~~Corporation.

(b)    Classes. The Board of Directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, as nearly equal in number as possible. The classes shall be designated Class I, Class II and Class III. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director.

(c)    Term. The initial term of office for Class I directors shall expire at the annual meeting of shareholders held in \_\_\_\_\_ [*fill in calendar year following conversion*], the initial term of office for Class II directors shall expire at the annual meeting of shareholders held in \_\_\_\_\_ [*fill in second calendar year following conversion*], and the initial term of office for Class III directors shall expire at the annual meeting of shareholders held in \_\_\_\_\_ [*fill in third calendar year following conversion*], and in each case as to all classes of directors, until their successors are duly elected and qualified. Upon expiration of their initial terms as specified herein, directors of each class shall serve three-year terms and until their successors are duly elected and qualified. A director shall hold office until the annual meeting for the year in which his or her term shall expire and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. If, for any reason, the directors shall not have been elected at the designated annual meeting, they may be elected at a special meeting of shareholders called for that purpose in the manner provided by the Bylaws.

(d)    Initial Directors. The initial directors of the ~~corporation~~Corporation shall be as follows:

Class I: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Class II: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Class III: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**ARTICLE IV  
PREEMPTIVE RIGHTS**

Shareholders of this ~~corporation~~Corporation have no preemptive rights to acquire additional shares of stock or securities convertible into shares of stock issued by the ~~corporation~~Corporation.

**ARTICLE V  
CUMULATIVE VOTING**

Shareholders of this ~~corporation~~Corporation shall not have the right to cumulate votes in the election of directors.

**ARTICLE VI  
LIMITATION OF DIRECTOR LIABILITY**

A director of the ~~corporation~~Corporation shall not be personally liable to the ~~corporation~~Corporation or its shareholders for monetary damages for conduct as a director, except for:

- (a) Acts or omissions involving intentional misconduct by the director or a knowing violation of law by the director;
- (b) Conduct violating RCW 23B.08.310; or
- (c) Any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled.

If the Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the ~~corporation~~Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended. The provisions of this Article shall be deemed to be a contract with each director and officer of the ~~corporation~~Corporation who serves as such at any time while such provisions are in effect and each director and officer entitled to the benefits hereof shall be deemed to be serving as such in reliance on the provisions of this Article. Any repeal or modification of the foregoing paragraph by the shareholders of the ~~corporation~~Corporation shall not adversely affect any right or protection of a director of the ~~corporation~~Corporation with respect to any acts or omissions of such director occurring prior to such repeal or modification.

## ARTICLE VII INDEMNIFICATION OF DIRECTORS

**Section 1** The ~~corporation~~Corporation shall indemnify its directors to the full extent permitted by applicable law. The ~~corporation~~Corporation shall advance expenses for such persons pursuant to the terms set forth in the Bylaws, or in a separate directors' resolution or contract.

**Section 2** ~~The~~Pursuant to the provisions of Section 23B.08.560 of the Act, the Corporation shall have the power and in connection therewith, the Board of Directors may take such action as is necessary to carry out these indemnification and expense advancement provisions. It is expressly empowered to adopt, approve, and amend from time to time such Bylaws, resolutions, contracts, or further indemnification and expense advancement arrangements implementing these provisions as may be permitted by law, including the purchase and maintenance of insurance and creation and maintenance of an indemnification trust(s). Such Bylaws, resolutions, contracts or further arrangements shall include but not be limited to implementing the manner in which determinations as to any indemnity or advancement of expenses shall be made without regard to the limitations in sections 23B.08.510 through 23B.08.560, provided, however, no such indemnity shall indemnify any director from or on account of:

- (a) Acts or omissions involving intentional misconduct by the director or a knowing violation of law by the director;
- (b) Conduct violating RCW 23B.08.310; or
- (c) Any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled..

**Section 3** No amendment or repeal of this Article shall apply to or have any effect on any right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

## ARTICLE VIII POWERS OF SOLE SHAREHOLDER

In addition to all matters required by law, and notwithstanding any other provisions of these Articles of Incorporation or the Bylaws to the contrary, the sole shareholder of the ~~corporation~~Corporation, may, by a vote of an Independent Board Majority (as defined in Article III, Section 4(b) of the [New PREMERA Corp.] Articles of Incorporation) and by so directing the Board of Directors, initiate and implement any of the following actions by or on behalf of the ~~corporation~~Corporation; and none of the following actions shall be taken by or on behalf of the ~~corporation~~Corporation or shall become effective unless and until approved by an Independent Board Majority of the sole shareholder of the ~~corporation~~Corporation:

- (a) adopting or changing the mission, purpose, philosophy or strategic direction of the ~~corporation~~Corporation, or changing the general structure or operation of the ~~corporation~~Corporation;
- (b) electing or removing from office any of the directors;
- (c) amending the Articles of Incorporation or the Bylaws;
- (d) making any loans or advances except in the ordinary course of business;
- (e) conducting any business other than under the Blue Cross and/or Blue Shield marks and name;
- (f) dissolving or liquidating the ~~corporation~~Corporation;
- (g) consolidating or merging the ~~corporation~~Corporation with another ~~corporation~~Corporation or entity;
- (h) selling, exchanging or otherwise disposing of all or substantially all of the ~~corporation~~Corporation's assets; or selling, exchanging or otherwise disposing of assets by the ~~corporation~~Corporation having a value in excess of that established from time to time by resolution of an Independent Board Majority of the sole shareholder;
- (i) purchasing or investing on behalf of the ~~corporation~~Corporation in a manner that is not provided for in an approved budget or in excess of the amount established from time to time by resolution of an Independent Board Majority of the sole shareholder;
- (j) incurring indebtedness or granting a mortgage, lien or other security interest to secure indebtedness of the ~~corporation~~Corporation, in an amount greater than that established from time to time by resolution of an Independent Board Majority of the sole shareholder; or any action by or on behalf of the ~~corporation~~Corporation to guarantee or act as a surety for the indebtedness of any third party;
- (k) organizing any corporation or other entity in which the ~~corporation~~Corporation will acquire a voting or other interest, or the transfer of assets to any such corporation or entity;
- (l) approving the annual operating and capital plans and budgets of the ~~corporation~~Corporation, following their development by the officers of the ~~corporation~~Corporation and ratification by the executive officers of the sole shareholder; and
- (m) appointing the Chief Executive Officer of the ~~corporation~~Corporation, subject to ratification by the Board of Directors of the ~~corporation~~Corporation, and removing of the Chief Executive Officer from office.

## ARTICLE IX TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST

Any contract or other transaction between this ~~corporation~~Corporation and one or more of its directors, or between this ~~corporation~~Corporation and any corporation, firm, association or other entity of which one or more of its Directors are shareholders, members, directors, officers or employees or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors which acts upon or in reference to such contract or transaction and, unless precluded by applicable federal or state securities laws or regulations or applicable stock exchange listing requirements requiring action only by independent directors as to such contract or transaction, notwithstanding his or their participation in such action, by voting or otherwise even though his or their presence or vote, or both, might have been necessary to obligate this ~~corporation~~Corporation upon such contract or transaction; provided, that the transaction is fair to the ~~corporation~~Corporation at the time it is authorized, approved, or ratified.

## ARTICLE X AMENDMENT

Unless otherwise provided herein, the provisions of these Articles may be repealed or amended only upon the affirmative vote of a majority of directors present at a meeting at which a quorum is present and the affirmative vote of the holders of not less than a majority of the outstanding voting shares of this ~~corporation~~Corporation.

**ARTICLE XI  
REGISTERED OFFICE AND AGENT**

The street address of the registered office of the ~~corporation~~ Corporation is ~~701 Fifth~~ 925 Fourth Avenue, Suite ~~5000, 2900~~, Seattle, Washington 98104-~~7078, 1158~~, and the name of the registered agent at such address is PTSGE Corp.

**ARTICLE XII  
INCORPORATOR**

The name and address of the incorporator[s] is [*are*]:

*[insert names of specified corporate officials as incorporators]*

The undersigned incorporator has signed these Articles of Incorporation in duplicate on \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Incorporator

## CONSENT TO SERVE AS REGISTERED AGENT

PTSGE Corp. hereby consents to serve as Registered Agent in the State of Washington for [New Premera Blue Cross Corp.], PTSGE Corp. acknowledges that as agent for the ~~corporation~~Corporation, PTSGE Corp. will be responsible for receiving service of process in the name of the ~~corporation~~Corporation; forwarding all mail to the ~~corporation~~Corporation; and immediately notifying the Office of the Secretary of State in the event of PTSGE Corp.'s resignation, or of any changes in the registered office of the ~~corporation~~Corporation for which PTSGE Corp. is agent.

DATED: \_\_\_\_\_, 200\_.

PTSGE CORP.

By \_\_\_\_\_  
Dorothy A. Nelson  
Vice President

Registered address:  
~~701 Fifth~~925 Fourth Avenue, Suite ~~5000~~2900  
Seattle, WA 98104-~~7078~~1158